

Wealth Creation Task Force Trends

A community's assets is its property and the City controls that property primarily through its zoning. The asset creates wealth by producing property tax revenue and the increase in the value of the asset is what the ultimate goal is.

The trend lines have shown an asset base of over \$13 billion of property value. Over the last 3-4 years, the personal property percentage of the base has decreased. Decreases in the commercial and industrial sector make it difficult to sustain the service level we currently have. Therefore, the long-term goal is to increase the value of all the property in Troy. Key to growing that property is to retain and attract companies, particularly in a community that is as built out as Troy is. One critical factor in Troy's success has been the balance between residential and the business tax base. This balance has been severely eroded in just the past 5 years and the balance of 50% residential to 50% business has shifted to 55% residential and only 45% business.

The City's efforts with both the Big Beaver Corridor Study and the study of the Maple and Stephenson Corridors should provide effective strategies to develop the tax base on both those corridors.

Another factor in increasing local property tax revenue is how frequently the residential property turns over. This has an impact because when a house is sold the property tax cap comes off and the new property owner pays an uncapped or higher property tax on that same property.

Elements that make up growth in local tax revenues include residential homeowner turnover, reducing the vacancy in office property, redeveloping existing commercial and industrial properties and stabilizing the balance between residential and business tax base. Ultimately, the goal will be to create sustainable economic activity in Troy.